

INTRODUCED _____
PUBLIC HEARING _____
COUNCIL ACTION _____
EXEC. ACTION _____
EFFECTIVE DATE _____

**County Council of
Howard County, Maryland**

2004 Legislative Session

Legislative Day No. 12

Bill No. 57-2004

Introduced by: The Chairperson at the request of the County Executive

AN ACT to authorize and empower Howard County, Maryland to borrow, on its full faith and credit, up to \$3,659,000 from the Maryland Water Quality Financing Administration (the "Administration"), and to issue and sell its installment bonds to the Administration, the proceeds thereof to be used to pay costs of Capital Projects Nos. S-6189 (Laurel Pump Station Renovations) and S-6237 (Patapsco Conveyance/Treatment Facilities), and to pay all related costs; and to levy taxes upon the assessable property within the County sufficient, together with benefit assessments, ad valorem taxes levied upon assessable property in the Metropolitan District and other available funds, to pay the debt service on such bonds; authorizing the County to enter into a Loan Agreement with the Administration to effect and further evidence such borrowing; and making certain findings and determinations.

Introduced and read first time _____, 2004. Ordered posted and hearing scheduled.

By order _____
Sheila M. Tolliver, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on _____, 2004 and concluded on _____, 2004.

By order _____
Sheila M. Tolliver,
Administrator

This Bill was read the third time on _____, 2004 and Passed, Passed with amendments _____, Failed _____.

By order _____
Sheila M. Tolliver,
Administrator

Sealed with the County Seal and presented to the County Executive for approval this ____ day of _____, 2004 at _____ a.m./p.m.

By order _____
Sheila M. Tolliver,
Administrator

Approved by the County Executive _____, 2004

James N. Robey, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN ALL CAPITALS indicates additions to existing law; ~~Strike out~~ indicates material deleted by amendment; Underlining indicates material added by amendment.

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Pursuant to and in accordance with the Maryland Water Quality Financing Administration Act, Sections 9-1601 to 9-1622 of the Environment Article, Annotated Code of Maryland, as amended (the "MWQFA Act"), the Maryland Water Quality Financing Administration (the "Administration") is authorized to issue its bonds to provide moneys for deposit into the Maryland Water Quality Revolving Loan Fund (the "Fund") to be used to make loans to "local governments" for the purpose of financing all or a portion of the cost of a "wastewater facility".

"9-1606 Loans.

(b) *Issue and sale of loan obligations by borrower.* Notwithstanding any other provision of public general or public local law, charter, or ordinance, a borrower may issue and sell loan obligations to the Administration:

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1 (2) Without regard to any limitations on the
2 denomination of such obligations; and
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4 (3) At any interest rate or cost or at any price that the
5 borrower considers necessary or desirable.
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7 (c) *Payment of fees or charges by borrower.* A
8 borrower may pay any fees or charges necessary to enable the
9 Administration to sell its bonds, including any fees for the
10 insurance of its loan obligations or bonds of the Administration, or
11 to provide any other guarantee, credit enhancement, or additional
12 security for any such loan obligations or bonds.
13

14 (d) *Pledge of moneys borrower is entitled to receive*
15 *from State.* Notwithstanding any other provision of public general
16 or public local law, charter, or ordinance, a borrower may agree
17 with the Administration to pledge any moneys that the borrower is
18 entitled to receive from the State, including the borrower's share of
19 the State income tax, to secure its obligations under a loan
20 agreement. The State Comptroller and the State Treasurer shall
21 cause any moneys withheld under such a pledge to be paid to, or
22 applied at the direction of the Administration.
23

24 (e) *Loan obligation cancelable only upon repayment*
25 *in full.* Each loan agreement shall contain a provision whereby the
26 borrower acknowledges and agrees that the borrower's loan
27 obligation is cancelable only upon repayment in full and that
28 neither the Administration, the Secretary, nor the Board is
29 authorized to forgive the repayment of all or any portion of the
30 loan, except for loans to disadvantaged communities, pursuant to
31 the federal Safe Drinking Water Act."

32 Pursuant to Council Bill No. 56-2004, which has been passed by the County Council prior to
33 the passage of this Act and is and has thereby been enacted and become effective the County has
34 modified the funding sources for the Projects to reduce the utility cash and/or in-aid-of-construction
35 (utility) appropriations therefor and add an aggregate appropriation of \$3,659,000 in borrowings
36 from the Administration in accordance with the MWQFA Act to pay a portion of the costs of each of
37 the Projects, as specified in Appendix I to this Act.

38 **Now therefore ,**

39 **Section 1. Be it enacted by the County Council of Howard County, Maryland,** That all
40 terms used herein with an initial capital letter and defined in the Recitals hereof shall have the
41 meanings given such terms therein, unless the context clearly indicates a contrary meaning.

42 **Section 2. Be it further enacted by the County Council of Howard County, Maryland,**

1 (a) That Howard County, Maryland (the "County") is hereby authorized and empowered to borrow,
2 on its full faith and credit, an amount not exceeding \$3,659,000 from the Administration and to issue
3 and sell one or more installment bonds (each, a "Bond") to the Administration, at one time or from
4 time to time within four years from the effective date of this Act, pursuant to and in accordance with
5 the Howard County Charter and the MWQFA Act, the proceeds thereof to be used for payment of
6 costs of the Projects, as more particularly specified and described in Appendix A hereto and in the
7 County's Capital Budget for the fiscal year ending June 30, 2005, and for payment of all related
8 costs, including, without limitation, the costs incurred by the County in connection with the issuance
9 of the Bond or Bonds to the Administration, and the cost of planning, construction, improvements,
10 renovation, rehabilitation, equipping, engineering and architect's services, surveys, landscaping, site
11 development and land acquisition, to the extent permitted under the MWQFA Act.

12 (b) Each Bond shall constitute a "loan obligation" within the meaning of the
13 MWQFA Act.

14 (c) The County is further authorized to enter into a Loan Agreement with the
15 Administration (a "Loan Agreement") to effect and evidence each loan from the Administration.

16 **Section 3. Be it further enacted by the County Council of Howard County, Maryland,**
17 That, for each Bond issued under this Act, the County Council, by an ordinance or ordinances
18 adopted from time to time in accordance with Sections 606 and 618 of the Howard County Charter,
19 the MWQFA Act, and other applicable provisions of law, shall provide for (a) the issuance and sale
20 of such Bond to the Administration, (b) the designation, form, tenor, maximum principal amount
21 (and the formula for computing the final principal amount), denomination and maturity (not
22 exceeding thirty years), (c) the amortization schedule of such Bond (or the formula for computing
23 such schedule), (d) the interest rate (or the method of determining such rate) payable on such Bond,
24 and (e) the form and terms and conditions of the Loan Agreement.

25 **Section 4. Be it further enacted by the County Council of Howard County, Maryland,**
26 That for the purpose of paying the principal of and interest on the Bonds as the same shall become

1 payable, the County Council shall levy annually ad valorem taxes upon the assessable property in
2 Howard County sufficient, together with benefit assessments, ad valorem taxes levied upon
3 assessable property in the Metropolitan District and other available funds, to pay the principal of and
4 interest on the Bonds until the entire principal amount of the Bonds shall mature and be redeemed.

5 **Section 5. Be it further enacted by the County Council of Howard County, Maryland,**

6 That the County anticipates that a portion of the costs of the Projects will be paid prior to the
7 issuance of the Bonds. The amount of such costs so paid will depend on various factors, including,
8 without limitation, the timing and speed of progress on the Projects, the availability of other funds to
9 pay such costs on an interim basis, bond and money market conditions and compliance with federal
10 and State laws and regulations.

11 Accordingly, the County reasonably expects to reimburse costs of the Project (as described
12 herein) with proceeds of the Bonds, such Bonds to be issued by the County in the maximum
13 principal amount of \$3,659,000.

14 **Section 6. Be it further enacted by the County Council of Howard County, Maryland,**

15 That this Act shall take effect sixty-one (61) days after its enactment.

Sewer Projects

Project Description	Amount to be Borrowed
S6189 FY2001 N LAUREL PUMP STATION RENOVATIONS A project for the design, renovation and replacement of the North Laurel Wastewater Pump Station to increase the pumping capacity of the station to meet projected wastewater flows.	\$1,908,000
S6237 FY2001 PATAPSCO CONVEY/TREAT FACILITIES A project for Howard County's participation in the cost sharing for the capital funding of the Patapsco Treatment Plant at Wagners Point and the related Patapsco Interceptor, Pump Station, and Force Main.	1,751,000 <hr/>
TOTAL AMOUNT TO BE BORROWED:	<u>\$3,659,000</u>